



Ag Land Pres Easements

(P788911)

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|---------------|-----------------------------------|----------------------|-------------|
| Category | Conservation of Natural Resources | Date Last Modified | 01/11/19 |
| SubCategory | Ag Land Preservation | Administering Agency | Agriculture |
| Planning Area | Countywide | Status | Ongoing |

EXPENDITURE SCHEDULE (\$000s)

| Cost Elements | Total | Thru FY18 | Rem FY18 | Total 6 Years | FY 19 | FY 20 | FY 21 | FY 22 | FY 23 | FY 24 | Beyond 6 Years |
|----------------------------------|---------------|--------------|------------|---------------|------------|------------|------------|------------|------------|------------|----------------|
| Planning, Design and Supervision | 3,593 | 1,098 | 253 | 2,242 | 368 | 370 | 372 | 375 | 377 | 380 | - |
| Land | 7,163 | 5,776 | 367 | 1,020 | 170 | 170 | 170 | 170 | 170 | 170 | - |
| Other | 37 | 37 | - | - | - | - | - | - | - | - | - |
| TOTAL EXPENDITURES | 10,793 | 6,911 | 620 | 3,262 | 538 | 540 | 542 | 545 | 547 | 550 | - |

FUNDING SCHEDULE (\$000s)

| Funding Source | Total | Thru FY18 | Rem FY18 | Total 6 Years | FY 19 | FY 20 | FY 21 | FY 22 | FY 23 | FY 24 | Beyond 6 Years |
|------------------------------|---------------|--------------|------------|---------------|------------|------------|------------|------------|------------|------------|----------------|
| Developer Payments | 6,160 | 4,652 | 217 | 1,291 | 150 | 150 | 150 | 150 | 341 | 350 | - |
| Agricultural Transfer Tax | 2,277 | 966 | 111 | 1,200 | 200 | 200 | 200 | 200 | 200 | 200 | - |
| Investment Income | 841 | 68 | 2 | 771 | 188 | 190 | 192 | 195 | 6 | - | - |
| State Aid | 685 | 657 | 28 | - | - | - | - | - | - | - | - |
| Federal Aid | 522 | 260 | 262 | - | - | - | - | - | - | - | - |
| G.O. Bonds | 308 | 308 | - | - | - | - | - | - | - | - | - |
| TOTAL FUNDING SOURCES | 10,793 | 6,911 | 620 | 3,262 | 538 | 540 | 542 | 545 | 547 | 550 | - |

APPROPRIATION AND EXPENDITURE DATA (\$000s)

| | | | |
|-------------------------------------|-------|--------------------------|--------|
| Appropriation FY 20 Approp. Request | 540 | Year First Appropriation | FY89 |
| Cumulative Appropriation | 8,069 | Last FY's Cost Estimate | 10,793 |
| Expenditure / Encumbrances | 6,965 | | |
| Unencumbered Balance | 1,104 | | |

PROJECT DESCRIPTION

This project provides funds for the purchase of agricultural and conservation easements under the County Agricultural Land Preservation legislation, effective November 25, 2008, for local participation in Maryland's Agricultural and Conservation programs and through Executive Regulation 3-09 AM, adopted July 27, 2010. The County Agricultural Easement Program (AEP) enables the County to purchase preservation easements on farmland in the agricultural zones and in other zones approved by the County Council to preserve farmland not entirely protected by Transferable Development Rights (TDR) easements or State agricultural land preservation easements. The Maryland Agricultural Land Preservation Foundation (MALPF) enables the State to purchase preservation easements on farmland jointly by the County and State. The Rural Legacy Program (RLP) enables the State to purchase

conservation easements to preserve large contiguous tracts of agricultural land. The sale of development rights easements are proffered voluntarily by the farmland owner. The project receives funding from the Agricultural Transfer Tax, which is levied when farmland is sold and removed from agricultural status. Montgomery County is a State-certified county under the provisions of State legislation, which enables the County to retain 75 percent of the taxes for local use. The County uses a portion of its share of the tax to provide matching funds for State easements. In FY10, the Building Lot Termination (BLT) program was initiated. This program represents an enhanced farmland preservation program tool to further protect land where development rights have been retained in the Agricultural Reserve-AR zone. This program utilizes a variety of revenue sources that include: Agricultural Transfer Tax revenues, Montgomery National Capital Park and Planning Commission (MNCPPC) Contributions, Developer Contributions, and G.O. Bonds to purchase the development rights and the corresponding TDRs retained on these properties.

COST CHANGE

Expenditures and funding schedules reflect the revised estimates for Agricultural Transfer Tax revenues. In addition, expenditures and funding have been added to FY23 and FY24.

PROJECT JUSTIFICATION

Annotated Code of Maryland Agriculture Article 2-501 to 2-515, Maryland Agricultural Land Preservation Foundation; Annotated Code of Maryland Tax-Property Article 13-301 to 13-308, Agricultural Land Transfer Tax; and Montgomery County Code, Chapter 2B, Agricultural Land Preservation; and Executive Regulation 3-09 AM.

OTHER

FY19 estimated Planning, Design and Supervision expenditures are \$368,000, with \$30,000 of these annual costs funded by Agricultural Transfer Tax revenues as authorized by State law. The amount includes funding for 1.0 FTE Sr. Business Development Specialist; 1.5 FTE administrative staff; \$20,000 for the Deer Donation Program; \$15,000 for the Montgomery Weed Control Program; and \$68,000 for the Cooperative Extension Partnership. Appropriations are based upon a projection of Montgomery County's portion of the total amount of Agricultural Transfer Tax which has become available since the last appropriation and State Rural Legacy Program grant funding. Appropriations to this project represent a commitment of Agricultural Transfer Tax funds and State Aid to purchase agricultural easements, private contributions from the Crown Farm Annexation Agreement, and partial BLT payments made by developers for additional density in BLT receiving areas. The Agricultural Transfer Taxes are deposited into an investment income fund, the interest from which is used to fund direct administrative expenses, the purchase of easements, and other agricultural initiatives carried out by the Office of Agriculture. The program permits the County to take title to the TDRs. These TDRs are an asset that the County may sell in the future, generating revenues for the Agricultural Land Preservation Fund. The County can use unexpended appropriations for this project to pay its share (40 percent) of the cost of easements purchased by the State. Since FY99, the County has received State RLP grant funds to purchase easements for the State through the County. The State allows County reimbursement of three percent for direct administrative costs such as appraisals, title searches, surveys, and legal fees. The traditional funding sources for this project are no longer sustainable. Easement acquisition opportunities will be considered on a case-by-case approach while alternative funding sources are identified.

FISCAL NOTE

Expenditures do not reflect additional authorized payments made from the Agricultural Land Preservation Fund balance to increase financial incentives for landowners. An FY17 supplemental of \$634,000 was approved. Funding included: \$112,000 in Agricultural Transfer tax and reinstated \$522,000 in Federal Aid funding that was erroneously eliminated from this project. Land costs are for the purchasing of easements. Intergovernmental and Contribution funding were combined and renamed "Developer Payments" in FY19. Developer Payments include \$191,000 in FY23 and \$200,000 in FY24 from the Crown Farm Annexation agreement.

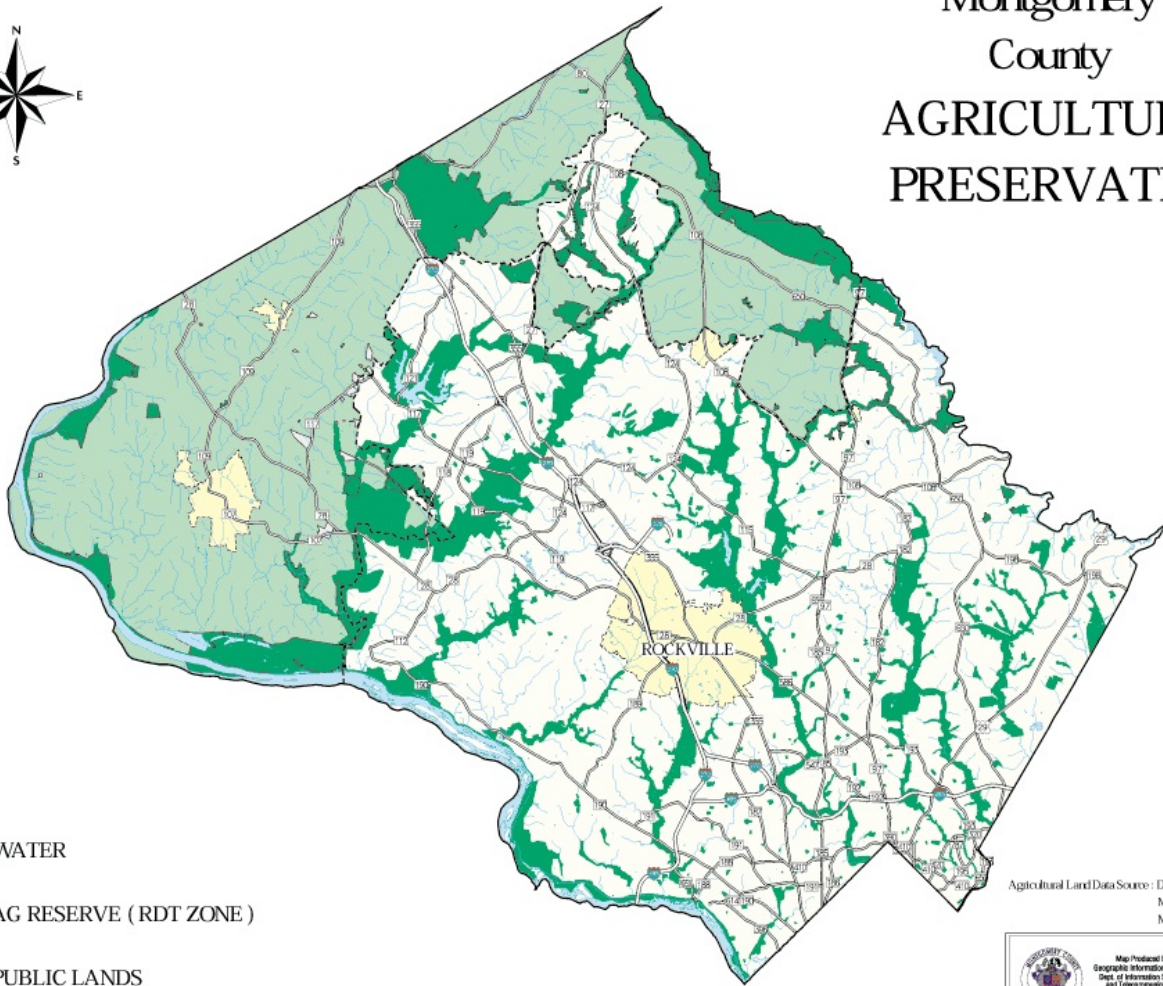
DISCLOSURES




Expenditures will continue indefinitely. The County Executive asserts that this project conforms to the requirement of relevant local plans, as required by the Maryland Economic Growth, Resource Protection and Planning Act.

COORDINATION

Montgomery County Office of Agriculture, State of Maryland Agricultural Land Preservation Foundation, State of Maryland Department of Natural Resources, Maryland-National Capital Park and Planning Commission, and landowners.

Montgomery County AGRICULTURAL PRESERVATION



-  WATER
-  AG RESERVE (RDT ZONE)
-  PUBLIC LANDS

Agricultural Land Data Source : DED Agricultural Services
MNCP& PC
MD Office of Planning

